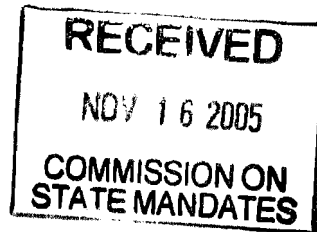


**DEPARTMENT OF  
FINANCE****ARNOLD SCHWARZENEGGER, GOVERNOR**

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 9, 2005

Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814



Dear Ms. Higashi:

As requested in the Proposed Parameters and Guidelines Amendment for Case No. 04-RL-9723-01 (97-TC-23, Standardized Testing and Reporting [STAR] Program), the Department of Finance respectfully submits the following comments.

On July 28, 2005, regarding the reconsideration of the prior final decision for this test claim, the Commission found that administering the California Achievement Tests, Sixth Edition Survey (CAT/6) in grades 3 and 7 imposes a reimbursable state mandate on school districts and that all other STAR activities in the test claim are either federally mandated or no longer required. However, the Commission found that the reimbursement period begins on July 1, 2004, since the Legislature did not include language in the reconsideration statutes (Chapters 216 and 895, Statutes of 2004) specifically requiring the reconsideration to apply retroactively. The Commission also found that state funds appropriated for STAR must be used to offset all activities associated with administration of the CAT/6 exam, and that in any fiscal year in which school districts are legally required to, they must reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from appropriated state funds, including federal Title VI funds.

While we generally concur with these findings, we believe that the Controller should review all previously submitted claims in light of the Commission's findings and the Proposed Parameters and Guidelines Amendment and verify that these claims pertain only to the national norm-referenced achievement test for STAR (Stanford 9 or the CAT/6 Survey), and not any other component, i.e., the standards-based achievement test (currently known as the California Standards Test), the designated primary language test (Spanish Assessment of Basic Education, Second Edition), or the California Alternate Performance Assessment. Based on testimony during the STAR reconsideration hearings and from Commission draft staff analyses, it became evident that prior to these proceedings, there may have been uncertainty as to exactly which activities were reimbursable. Therefore this raises the likely possibility that mandate claims involving activities related to these other STAR components were submitted to the Controller, when they should have been prohibited since they were not pled in the original test claim. As such, we strongly suggest that the Controller review all previously submitted claims and eliminate those components unrelated to the Stanford 9 or the CAT/6 norm-referenced exams, since apparently, the original STAR Statement of Decision did not address them.

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Additionally, we suggest that the date of "January 1, 2005" included in subsections 2 and 3 of Section IV, Reimbursable Activities, as amended, be changed to "July 1, 2004" to conform to the period of reimbursement for the activities in this parameters and guidelines amendment.

If you have any questions regarding this letter, please contact Pete Cervinka, Principal Program Budget Analyst at (916) 445-0328 or Jesse McGuinn, state mandates claims coordinator for the Department of Finance, at (916) 445-8913.

Sincerely,



Nicolas Schweizer  
Assistant Program Budget Manager

Attachment

## Attachment

DECLARATION OF PETE CERVINKA  
DEPARTMENT OF FINANCE  
CLAIM NO. 97-TC-23 (04-RL-9723-01)

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

*November 8, 2005*

at Sacramento, CA



Pete Cervinka